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ARIZONA CORPORATION COMMISSION

UTILITIES DIVISION

MAR 1 4 2001

ANNUAL REPORT MAILING LABEL - MAKE CHANGES AS NECESSAI

W-01917A DRAGOON WATER CO. 7459 E ALMERIA SCOTTSDALE AZ 85257-0000

ANNUAL REPORT

FOR YEAR ENDING

12 31 2000

FOR COMMISSION USE

ANNC4 00

COMPANY INFORMATION

Company Name (Business Name)	DRAGOON WATER CO., INC.	V	
Mailing Address 7459 E. ALMER	RIA		
(Street) SCOTTSDALE, AZ 85257			
(City)	(State)	(Zip)
	(490) 041 5100	(490	045 4800
(480) 945-4800 Telephone No. (Include Area Code)	(480) 941-5190 Fax No. (Include Area Code)	Pager/Cell No. (Inc) 945-4800 clude Area Code)
	Tax Ivo. (motate Final eser)	G	
Email Address			
ocal Office Mailing Address	SAME AS ABOVE		
	(Street)		
(City)	(State)	(Zip)	
Local Office Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No.	(Include Area Code
	AGEMENT INFORMATION		
MAN	AGEMENT INFORMATION	<u>ON</u>	ı T
MAN	AGEMENT INFORMATION		
MAN Management Contact: JAMES P	AGEMENT INFORMATION SULLIVAN (Name)	<u>ON</u> presiden	
MAN	AGEMENT INFORMATION SULLIVAN (Name)	<u>ON</u> presiden	
MAN Management Contact: JAMES P 7459 E. ALMERIA SCOTTSDALE AZ 8525 (Street)	AGEMENT INFORMATION (Name) (City)	ON PRESIDEN (Title	e)
MAN Management Contact: JAMES P 7459 E. ALMERIA SCOTTSDALE AZ 8525	AGEMENT INFORMATION SULLIVAN (Name)	ON PRESIDEN (Title	(Zip)
MAN Management Contact: JAMES P 7459 E. ALMERIA SCOTTSDALE AZ 8525 (Street) (480) 945-4800 Telephone No. (Include Area Code)	AGEMENT INFORMATION (Name) 7 (City) (480) 945-4800	ON PRESIDEN (Title (State)	(Zip)
MAN Management Contact: JAMES P 7459 E. ALMERIA SCOTTSDALE AZ 8525 (Street) (480) 945-4800 Telephone No. (Include Area Code) Email Address	C. SULLIVAN (Name) (City) (480) 945-4800 Fax No. (Include Area Code)	ON PRESIDEN (Title (State)	(Zip)
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MAN Management Contact:JAMES P 7459 E. ALMERIA SCOTTSDALE AZ 8525 (Street) (480) 945-4800 Telephone No. (Include Area Code) Email Address On Site Manager: SAME A	C. SULLIVAN (Name) (City) (480) 945-4800 Fax No. (Include Area Code) AS ABOVE (Name)	PRESIDEN (Title (State) Pager/Cell No. (Inc	(Zip)
MAN Management Contact: JAMES P 7459 E. ALMERIA SCOTTSDALE AZ 8525 (Street) (480) 945-4800 Telephone No. (Include Area Code) Email Address On Site Manager: SAME A	AS ABOVE (Name) (City) (AS ABOVE (Name) (City)	PRESIDEN (Title (State) Pager/Cell No. (Inc.) (State)	(Zip)

Statutory Agent: RICHARD L. S	SALLOUIST		
Statutory rigoriti Recommendation	(Name)		
2525 E. ARIZONA BILTMORE CIRCLE # 117	7 PHOENIX AZ 85016	(State)	(Zip)
(Street)	(City)	(State)	(E.P)
(602) 224-9222 Telephone No. (Include Area Code)	Fax No. (Include Area Code	Pager/Cell No. (In	nclude Area Code)
Attorney: SAME AS ABOVE			
Audiney. Same as above	(Name)		
	(City)	(State)	(Zip)
(Street)	(City)	(State)	(Zip)
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No. (In	clude Area Code)
OW	NERSHIP INFORMATIO	<u>N</u>	
Check the following box that applies to y	your company:		
Sole Proprietor (S)	C Corporation (C) (Other than Asso	ciation/Co-op)
•			- '
Partnership (P)	Subchapter S Cor	poration (Z)	
Bankruptcy (B)	Association/Co op	(A)	
Receivership (R)	Limited Liability	Company	
Other (Describe)			
	COUNTIES SERVED		
	1:1	vida garrias:	
Check the box below for the county/ies i	n which you are certificated to pro	ovide service:	
□ АРАСНЕ	⊠ COCHISE		ONINO
	_		
☐ GILA	☐ GRAHAM	∐ GREE	NLEE
☐ LA PAZ		□ МОНА	AVE
☐ NAVAJO	☐ PIMA	☐ PINAI	L
☐ SANTA CRUZ	☐ YAVAPAI	☐ YUMA	4
 ☐ STATEWIDE			
LISTATEWIDE	and the same of th		

UTILITY PLANT IN SERVICE

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization	6,984		6,984
302	Franchises			
303	Land and Land Rights	2,750		2,750
304	Structures and Improvements	24,207	3,488	20,719
307	Wells and Springs	26,318	14,064	12,254
311	Pumping Equipment	88,498	45,066	43,432
320	Water Treatment Equipment			
330	Distribution Reservoirs and Standpipes	95,550	27,969	67,581
331	Transmission and Distribution Mains	210,712	109,807	100,905
333	Services	8,430	2,506	5,924
334	Meters and Meter Installations	18,945	6,162	12,783
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment	2,076	577	1,499
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant	15,564	7,392	8,172
	TOTALS	500,034	217,031	283,003

This amount goes on the Balance Sheet Acct. No. 108

COMPANY NAME DRAGOON WATER CO., INC.

CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR

Acct.		Original	Depreciation	Depreciation
No.	DESCRIPTION	Cost (1)	Percentage (2)	Expense (1x2)
301	Organization	6,984		
302	Franchises	0,904		
		0.750		
303	Land and Land Rights	2,750		005
304	Structures and Improvements	24,207	2.5%	605
307	Wells and Springs	26,318	2.5%	652
311	Pumping Equipment	88,498	2.5%	2,213
320	Water Treatment Equipment			
330	Distribution Reservoirs and Standpipes	95,550	2.5%	2,394
331	Transmission and Distribution Mains	210,712	2.5%	5,268
333	Services	8,430	2.5%	182
334	Meters and Meter Installations	18,945	2.5%	468
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment	2,076	5%	103
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant	15,564	2.5%	389
	TOTALS	500,034		12,274

This amount goes on Comparative Statement of Income and Expense Acct. No. 403.



To the Board of Directors of Dragoon Water Co., Inc. Scottsdale, Arizona

We have compiled the balance sheet of Dragoon Water Co., Inc. (a corporation) as of December 31, 2000 and 1999, and the comparative statement of income and expenses for the years then ended included in the accompanying prescribed form in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

Our compilation was limited to presenting in the form prescribed by the Arizona Corporation Commission information that is the representation of management. We have not audited or reviewed the financial statements referred to above and, accordingly, do not express an opinion or any other form of assurance on them.

These financial statements are presented in accordance with the requirements of the Arizona Corporation Commission, which differ from generally accepted accounting principles. Accordingly, these financial statements are not designed for those who are not informed about such differences.

All other information contained in the accompanying prescribed form has not been audited, reviewed, or compiled by us and, accordingly, we assume no responsibility for that information.

ULLMANN & COMPANY, P.L.C. Certified Public Accountants

Wilmann & Company

March 7, 2001

COMPANY NAME DRAGOON WATER CO., INC.

BALANCE SHEET

Acct. No.		 ANCE AT	LANCE AT END OF
	ASSETS	YEAR	 YEAR
	CURRENT AND ACCRUED ASSETS		
131	Cash	\$ (622)	\$ 9,307
134	Working Funds		
135	Temporary Cash Investments		<u> </u>
141	Customer Accounts Receivable	4,441	6,266
146	Notes/Receivables from Associated Companies		
151	Plant Material and Supplies		
162	Prepayments		
174	Miscellaneous Current and Accrued Assets	1,600	 1,600
	TOTAL CURRENT AND ACCRUED ASSETS		
		\$ 5,419	\$ 17,173
	FIXED ASSETS		
101	Utility Plant in Service	\$ 497,208	\$ 500,034
103	Property Held for Future Use	 	
105	Construction Work in Progress		
108	Accumulated Depreciation - Utility Plant	204,757	217,031
121	Non-Utility Property		
122	Accumulated Depreciation - Non Utility		
	TOTAL FIXED ASSETS	\$ 292,451	\$ 283,003
	TOTAL ASSETS	\$ 297,870	\$ 300,176

NOTE: The Assets on this page should be equal to Total Liabilities and Capital on the following page

BALANCE SHEET (CONTINUED)

Acct. No.	LIABILITIES	BE	LANCE AT GINNING F YEAR		LANCE AT END OF YEAR
·	CURRENT LIABILITES				
231	Accounts Payable	\$		\$	3,553
232	Notes Payable (Current Portion)	Ψ	16,750	Ψ	8,000
234	Notes/Accounts Payable to Associated Companies		10,750		0,000
235	Customer Deposits		1,367		1,717
236	Accrued Taxes		1,417		2,471
237	Accrued Interest		7,169		
241	Miscellaneous Current and Accrued Liabilities				
	TOTAL CURRENT LIABILITIES	\$	26,703	\$	15,741
· · · · · · · · · · · · · · · · · · ·	LONG-TERM DEBT (Over 12 Months)				
224	Long-Term Notes and Bonds	\$	159,413	\$	165,299
	DEFERRED CREDITS				
251	Unamortized Premium on Debt				
252	Advances in Aid of Construction		3,020		4,810
255	Accumulated Deferred Investment Tax Credits				
271	Contributions in Aid of Construction		124,735		124,735
272	Less: Amortization of Contributions		12,139		15,257
281	Accumulated Deferred Income Tax		4,563		5,810
	TOTAL DEFERRED CREDITS	\$	120,179	\$	120,098
	TOTAL LIABILITIES	\$	306,295	\$	301,138
	CAPITAL ACCOUNTS				
201	Common Stock Issued	\$	13,000	\$	13,000
211	Paid in Capital in Excess of Par Value		168,642		168,642
215	Retained Earnings		(190,067)		(182,604)
218	Proprietary Capital (Sole Props and Partnerships)				O.A. A.
	TOTAL CAPITAL	\$	(8,425)	\$	(962)
	TOTAL LIABILITIES AND CAPITAL	\$	297,870	\$	300,176

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct.	OPERATING REVENUES	PRI	OR YEAR	CURRENT YEAR	<u> </u>
461	Metered Water Revenue	\$	70,235	\$ 70,0	53
460	Unmetered Water Revenue				-
474	Other Water Revenues		836	1,8	09
	TOTAL REVENUES	\$	71,071	\$ 71,8	62
	OPERATING EXPENSES		14		
601	Salaries and Wages				
610	Purchased Water				
615	Purchased Power		7,872	10,0	31
618	Chemicals				
620	Repairs and Maintenance		1,123	1,1	60
621	Office Supplies and Expense		2,717	6.	22
630	Outside Services		22,842	20,9	90
635	Water Testing		1,880	6	00
641	Rents		3,650	9	00
650	Transportation Expenses				
657	Insurance - General Liability		1,273	5:	96
659	Insurance - Health and Life				
666	Regulatory Commission Expense - Rate Case				
675	Miscellaneous Expense		15,837	6,6	49
403	Depreciation Expense		8,545	9,1:	56
408	Taxes Other Than Income				
408.11	Property Taxes	• • • • • • • • • • • • • • • • • • • •	2,734	4,8	43
409	Income Tax		50		50
	TOTAL OPERATING EXPENSES	\$	68,523	\$ 55,5	97
	OTHER INCOME/EXPENSE				
419	Interest and Dividend Income				
421	Non-Utility Income				
426	Miscellaneous Non-Utility Expenses				
427	Interest Expense		10,314	8,8	02
	TOTAL OTHER INCOME/EXP	\$	(10,314)	\$ (8,8)	02)
	NET INCOME/(LOSS)	\$	(7,766)	\$ 7,40	63

COMPANY NAME DRAGOON WATER CO., INC.

SUPPLEMENTAL FINANCIAL DATA Long-Term Debt

AH AH	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued	VARIES			
Source of Loan	WIFA			
ACC Decision No.				
Reason for Loan			- Advances	
Dollar Amount Issued	\$166,000	\$	\$	\$
Amount Outstanding	\$165,299	\$	\$	\$
Date of Maturity	04/01/2018			
Interest Rate	5.04%			
Current Year Interest	\$8,013	\$	\$	\$
Current Year Principle	\$6,497	\$	\$	\$

Meter Deposit Balance at Test Year End	\$4,810
Meter Deposits Refunded During the Test Year	\$310

WATER COMPANY PLANT DESCRIPTION

<u>WELLS</u>

ADWR ID Number	Pump Horsepower	Pump Yield (Gpm)	Casing Size (inches)	Meter Size (inches)
55-631739	7.5	35	12	3
55-631738	50	160	12	4

OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)

TOTAL GALLONS PUMPED (NOT SOLD) THIS YEAR = 11,938,000

BOOSTER PUMPS		FIRE HYD	RANTS
Horsepower	Quantity	Quantity Standard	Quantity Other
5	2		
15	2		
10	2		
1.5	2		

STORAGE TANKS		PRESSUR	E TANKS
Capacity	Quantity	Capacity	Quantity
40,000	1	5,000	2
20,000	1	2,000	1
5,000	1	100	1

STATISTICAL INFORMATION

Total number of customers	132	
Total number of gallons sold	9,067,446	gallons

COMPANY NAME DRAGOON WATER CO., INC.	YEAR ENDING 12/31/2000
PROPERTY TAXES	
Amount of actual property taxes paid during Calendar Year 2000 was: \$	l" or copies of cancelled checks for
If no property taxes paid, explain why	

INCOME TAXES

For this reporting period, provide the following:

Federal Taxable Income Reported	0
Estimated or Actual Federal Tax Liability	0

State Taxable Income Reported	0
Estimated or Actual State Tax Liability	45

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances	N/A
Amount of Gross-Up Tax Collected	N/A
Total Grossed-Up Contributions/Advances	N/A

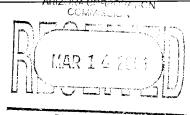
Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

CERTIFICATION

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.

COMPANY NAME_	DRAGOON WATER CO., INC.	YEAR ENDING 12/31/2000
	WATER AND SEWER	
	UTILITIES ONLY	
	PROPERTY TAXES	
Indicate the amount of	of actual property taxes paid during this repor	ting period (Calendar Year 2000)
\$ 3,789		
Attach to this annual Checks for property t	report proof (e.g. property tax bills stamped " ax payments) of any and all property taxes pa	paid in full" or copies of cancelled id during the calendar year.
If no property taxes p	aid, explain reasons below:	
	•	

VERIFICATION AND SWORN STATEMENT Intrastate Revenues Only



VERIFICATION
STATE OF ARIZONA
I, THE UNDERSIGNED

OF THE

	Director of Utilities
COUNTY OF (COUNTY NAME)	
COCHISE	
NAME (OWNER OR OFFICIAL) TITLE	
JAMES P. SULLIVAN	
COMPANY NAME	
DRAGOON WATER COMPANY, INC.	

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA COPRORATION COMMISSION

FOR THE YEAR ENDING

MONTH DAY YEAR
12 31 2000

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM <u>ARIZONA INTRASTATE</u> UTILITY OPERATIONS DURING CALENDAR YEAR 2000 WAS:

Arizona IntraState Gross Operating Revenues Only (\$)

\$___75,774

(THE AMOUNT IN BOX ABOVE INCLUDES \$ 3,912 IN SALES TAXES BILLED, OR COLLECTED

**REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

OFFICIAL SEAL

GARY S. KRANE

NOTARY PUBLIC - ARIZONA
MARICOPA COUNTY
MARICOPA

OF MONTH 9

COUNTY NAME

TELEPHONE NUMBER

H 3 /13

SIGNATURE OF NOTARY PUBLIC

200

VERIFICATION AND SWORN STATEMENT RESIDENTIAL REVENUE

ARIZONA CCHPORATION CCMMISCICAL COMMISCICAL COMMISCI

VERIFICATION

INTRASTATE REVENUES ONLY

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

(COUNTY NAME)	COCHISE	
NAME (OWNER OR OFFICIAL)	JAMES P. SULLIVAN	TITLE PRESIDENT
COMPANY NAME DRAGOO	N WATER COMPANY, INC.	

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2000

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2000 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES			
	\$	58,413	

(THE AMOUNT IN BOX AT LEFT INCLUDES \$ 3,130 IN SALES TAXES BILLED, OR COLLECTED

*RESIDENTIAL REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED.

X SIGNATURE OF OWNER OR OFFICIAL

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

(SEAL)

OFFICIAL SEAL
GARY S. KRANE
NOTARY PUBLIC — ARIZONA
MARICOPA COUNTY
MY COMM. Expires Jung 5, 2001

MY COMMISSION EXPIRES

NOTARY PUBLIC NAME

(ARY KRANZ

COUNTY NAME
MARICORD

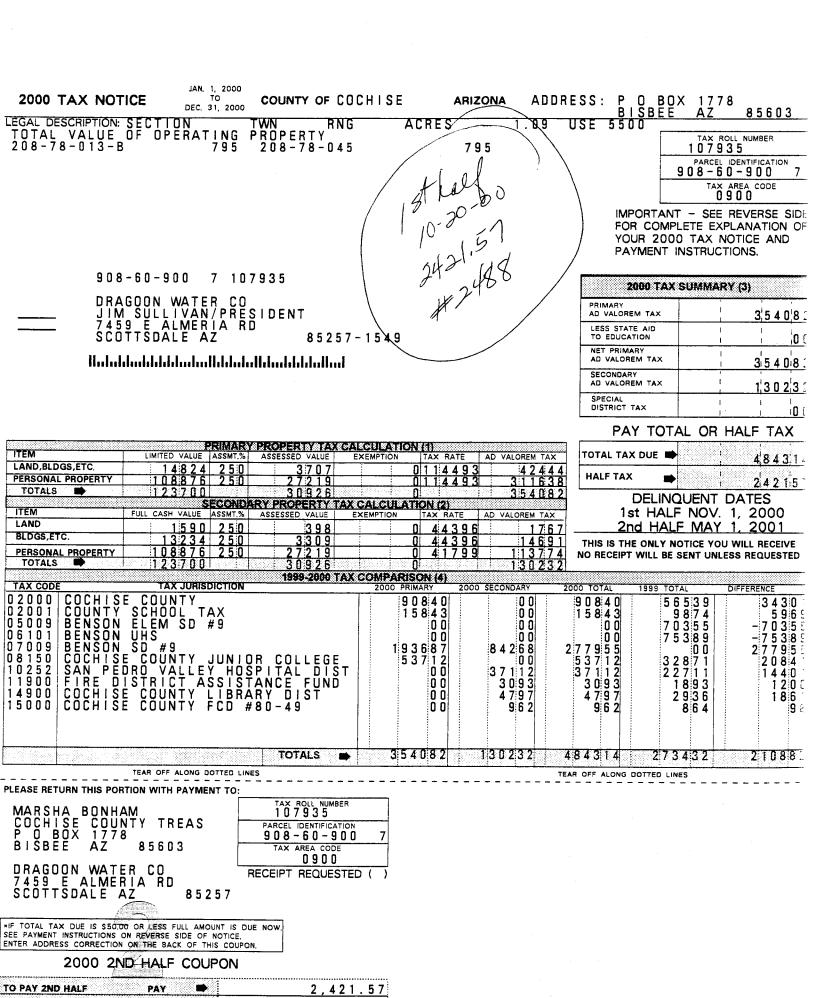
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SIGNATURE OF NOTARY PUBLI



NOTE: 2nd HALF TAYES DELINGUENT AFTER MAY 1 2001

